

**TEACHERS' FUND FOR RETIREMENT**  
**A Division of ND Retirement and Investment Office**  
**Balance Sheet**  
**As of 5/31/2006**

6/29/2006

	As of <u>5-31-06</u>	As of <u>6-30-05</u>
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 653,722,093	\$ 604,847,705
INTERNATIONAL EQUITIES	385,889,360	399,906,454
DOMESTIC FIXED INCOME	318,207,399	201,123,853
INTERNATIONAL FIXED INCOME	78,624,517	71,304,366
REAL ESTATE	177,122,386	139,039,070
VENTURE CAPITAL	69,061,321	62,572,727
INVESTED CASH (NOTE 1)	<u>11,505,225</u>	<u>28,950,655</u>
 TOTAL INVESTMENTS	 1,694,132,301	 1,507,744,830
 <b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	7,496,092	8,109,864
CONTRIBUTIONS RECEIVABLE	1,192	7,403,583
MISCELLANEOUS RECEIVABLE	<u>7,240</u>	<u>0</u>
 TOTAL RECEIVABLES	 7,504,524	 15,513,447
 <b>OTHER ASSETS</b>		
OPERATING CASH (NOTE 2)	9,736,427	8,648,006
DUE FROM OTHER AGENCIES (NOTE 3)	<u>32,476</u>	<u>20,170</u>
 TOTAL ASSETS	 <u><u>\$ 1,711,405,728</u></u>	 <u><u>\$ 1,531,926,453</u></u>
 <b>LIABILITIES:</b>		
ACCOUNTS PAYABLE	1,414,911	1,414,912
ACCRUED EXPENSES	208,473	284,129
DUE TO OTHER AGENCIES (NOTE 4)	<u>0</u>	<u>32,985</u>
 TOTAL LIABILITIES	 1,623,384	 1,732,026
 <b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,530,194,427	1,374,679,677
CASH IN DURING YEAR (NOTE 5)	126,178,000	134,163,000
CASH OUT DURING YEAR (NOTE 6)	126,178,000	134,163,000
NET INCREASE (DECREASE)	<u>179,587,917</u>	<u>155,514,750</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>1,709,782,344</u>	 <u>1,530,194,427</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u><u>\$ 1,711,405,728</u></u>	 <u><u>\$ 1,531,926,453</u></u>

**TEACHERS' FUND FOR RETIREMENT**  
**A Division of ND Retirement and Investment Office**  
**Profit and Loss Statement**  
**For the Month Ended 5/31/2006**

	Month Ended <u>5-31-06</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 4,162,073	\$ 35,446,920
SECURITIES LENDING INCOME	<u>537,825</u>	<u>4,269,822</u>
	4,699,898	39,716,742
 GAIN ON SALE OF INVESTMENTS	 31,305,950	 262,689,723
LOSS ON SALE OF INVESTMENTS	<u>16,151,413</u>	<u>76,098,525</u>
 NET GAINS (LOSSES) INVESTMENTS	 15,154,537	 186,591,198
 INVESTMENT EXPENSES	 995,367	 8,425,036
SECURITIES LENDING EXPENSES	504,691	4,000,224
SIB ADMINISTRATIVE EXPENSES	<u>11,793</u>	<u>122,925</u>
 NET INVESTMENT INCOME	 18,342,584	 213,759,755
 NET APPREC (DEPREC) MARKET VALUE	 (66,987,604)	 4,981,794
MISCELLANEOUS INCOME/(EXPENSE)	<u>(75,285)</u>	<u>(648,023)</u>
 TOTAL INVESTMENT INCOME	 (48,720,305)	 218,093,526
 CONTRIBUTIONS & ASSESSMENTS (NOTE 7)	 5,778,263	 46,335,327
PURCHASED SERVICE CREDIT (NOTE 8)	279,287	2,433,082
PENALTY & INTEREST (NOTE 9)	<u>5,945</u>	<u>8,839</u>
 TOTAL ADDITIONS	 <u>(42,656,810)</u>	 <u>266,870,774</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 10)	7,528,124	83,437,558
PARTIAL LUMP SUM BENEFITS PAID	0	21,045
REFUNDS TO MEMBER (NOTE 11)	<u>256,107</u>	<u>2,473,134</u>
 TOTAL BENEFITS PAID	 7,784,231	 85,931,737
 ADMINISTRATIVE EXPENSES		
RIO ADMINISTRATIVE CHARGE	77,903	1,351,120
MISCELLANEOUS EXPENSES	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>77,903</u>	 <u>1,351,120</u>
 TOTAL DEDUCTIONS	 <u>7,862,134</u>	 <u>87,282,857</u>
 NET INCREASE (DECREASE)	 <u>\$ (50,518,944)</u>	 <u>\$ 179,587,917</u>

**TEACHERS' FUND FOR RETIREMENT**  
**Notes To Financial Statements**  
**May 31, 2006**

6/29/2006

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1                    INVESTED CASH

Pension Cash Pool invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2                    OPERATING CASH

TFFR money market and checking accounts at the Bank of North Dakota.

NOTE 3                    DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4                    DUE TO OTHER AGENCIES

Amounts owed to RIO for administrative and direct costs charged.

NOTE 5                    CASH IN DURING YEAR

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 6                    CASH OUT DURING YEAR

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 7                    CONTRIBUTIONS

Contributions on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution of 15.5 percent that must be remitted monthly.

NOTE 8                    PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

**TEACHERS' FUND FOR RETIREMENT**  
**Notes to Financial Statements**  
**5/31/2006**

6/29/2006

NOTE 9                      PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions.

NOTE 10                      BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 11                      REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.